



Digitisation in International Markets: Facts and Figures

Current Findings on the Moving Image Market in the United Kingdom and France

Office of Communications, Conseil supérieur de l'audiovisuel

The change and differentiation in video usage behaviour in recent years, which was also identified in the Digitalisierungsbericht, is not a phenomenon unique to Germany. Rather, a growing convergence of video offerings and their use can be observed worldwide. This is hardly surprising. Digitization and networking are global phenomena, and even the big disrupters in the industry, Netflix, Amazon or YouTube, are acting globally and offering their products worldwide. Changes in the moving image market are following similar development paths in many countries – providers and regulators are confronted with new challenges and questions and are building up expertise and knowledge. The corona pandemic is another global phenomenon that has had a major impact on media usage behavi-

our in recent months and is likely to leave its mark. It is therefore worthwhile to look beyond our own noses and at our European neighbours. An overview of the development of TV and video usage in two of Europe's largest economies is provided below by the British Office of Communications (Ofcom) and the French Conseil supérieur de l'audiovisuel (CSA). The two authorities, which are in regular contact with the state media authorities, show on the one hand the general development in the United Kingdom and France, and on the other hand they provide initial information on the consequences of the current Corona pandemic – and thus help to better understand developments effecting many countries around the world.

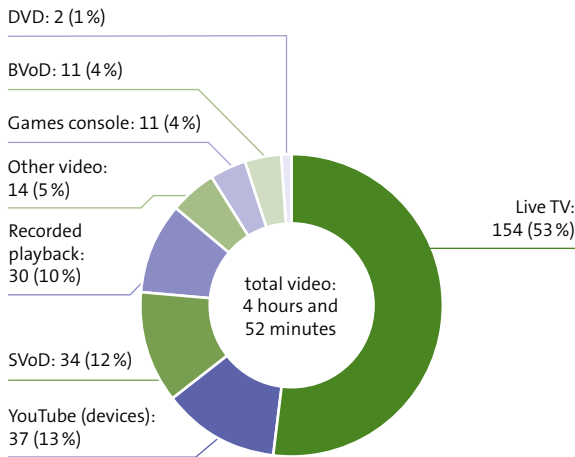
Current Development of Television and Video Usage in the UK

UK communications regulator Ofcom published its third annual Media Nations report in August 2020, providing an update of key trends in the TV and online video sectors, as well as radio and other audio sectors, for industry, policy makers, academics and consumers. This year's publication came during a particularly eventful and challenging period for

the UK media industry. The Covid-19 pandemic and the ensuing lockdown period has changed consumer behaviour significantly and caused disruption across broadcasting, production, advertising and other related sectors. The report focuses in large part on these recent developments and their im-

Fig. 1

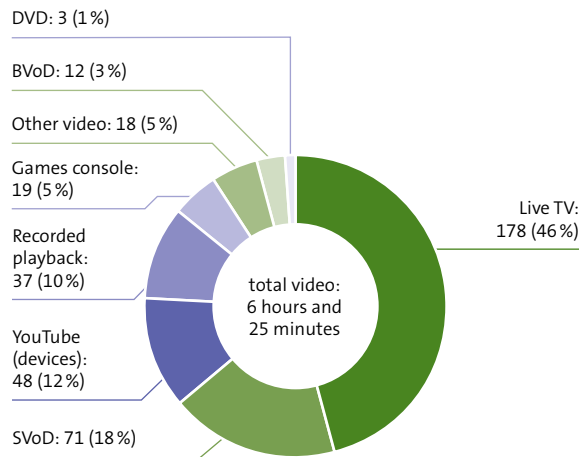
Total video viewing minutes per person per day for 2019 (in minutes)



Source: Ofcom estimates of total-video viewing. Modelled from BARB, Comscore and Touchpoints data

Fig. 2

Total video viewing minutes per person per day for april 2020 (in minutes)



Source: Ofcom estimates of total-video viewing. Modelled from BARB, Comscore and Touchpoints data

plications for the future. A selection of the key findings – taken from the full narrative report – are summarised below.

Overall TV viewing increased in lockdown, with SVoD achieving the greatest uplift

The UK Government’s implementation of lockdown measures – designed to reduce the spread of coronavirus – in mid-March 2020 resulted in people having more time for indoor leisure activities in the spring and early summer than in any comparable extended period in recent history. As a result, there were significant increases in TV viewing, across broadcast TV and particularly video on demand.

In April, the one entire calendar month in which the UK was in full lockdown, a substantial proportion of people’s waking hours was spent watching audiovisual content. Viewing time per person per day averaged an estimated 6 hours 25 minutes, an increase of an hour and a half, or 32 percent, on the average figure for 2019. Of this increase, an estimated 37 minutes was accounted for by subscription video-on-demand (SVoD) services, including Netflix, Amazon Prime Video and Disney+, and 32 minutes by live TV, recorded playback and broadcaster VoD.

Covid-19 reversed the long-term decline in broadcast TV viewing – at least temporarily

Broadcast TV viewing on a TV set continued to decline in 2019, in line with the long-term trend. Average viewing per person per day – including programmes watched live and up to seven days after broadcast – fell by 9 minutes over the course of 2019 (–5 percent) to 3 hours 3 minutes for the year.¹ The declines in the 2 previous years, by comparison, were 11 minutes in 2018 and 9 in 2017. The trend continues to be most pronounced among younger people, with viewing among adults aged 16–24 down 18 percent and children 4–15 down 16 percent in 2019. Younger people’s average viewing is much lower and is declining much faster than that of older people – those aged over 75, for instance, did not reduce their viewing in 2019 and watched an average of 5 hours 49 minutes of TV each day, nearly five times more than that of 16–24-year-olds (1 hour 10 minutes). The decline in broadcast TV viewing continued into the first 2 months of 2020, with viewing in January and February once again lower than the same months the previous year.

However, Covid-19 and the lockdown restrictions that came with it had a significant impact on TV viewing. Since the middle of March 2020, the amount of time people spent in front of their TV sets generally increased, resulting in average viewing per person per day rising significantly in March and the April total exceeding that of any April figure in the previous 5 years. The easing of social restrictions in England in May saw viewing for the month decline compared to April but remain higher than the figures for May in the previous 2 years. A further decline in June corresponded with the partial reopening of some schools in England, gatherings of up to 6 people being permitted, and

warmer weather – but viewing figures continued to remain higher than in the same month in the previous 2 years.²

In addition to people watching more TV on average as a result of Covid-19, more people than usual tuned in. Driven by news, the proportion of the population watching traditional broadcast TV in a week³ rose sharply in March 2020, peaking at 88 percent in the week commencing (w/c) 16 March. This weekly reach figure was higher than in the same calendar week in 2019 and also remained higher year on year in the following week (w/c 23 March). However, it dropped below the previous year’s levels after that and remained lower until the end of June (the end of our analysis period).⁴

Among over-54s, the proportion of people tuning in to broadcast TV has remained consistently higher than in 2019 since the w/c 16 March. This might be attributable to older people being more vulnerable to Covid-19 and the Government urging such people to self-isolate.

Before lockdown, more than half of UK households already subscribed to VoD services

The major SVoD services have continued to grow rapidly, and in Q1 2020, 53 percent of homes (15 million) subscribed to at least one of Netflix, Amazon Prime Video or NOW TV. Netflix remains by far the most popular SVoD service – in Q1 2020, 13 million UK households (46 percent) had a subscription, up 13 percent year on year. With just over half the number of Netflix households, Amazon Prime Video grew by 32 percent over the same period to reach 7.9 million subscribing households in Q1 2020. Total subscriptions to Netflix, Amazon Prime

1 BARB.

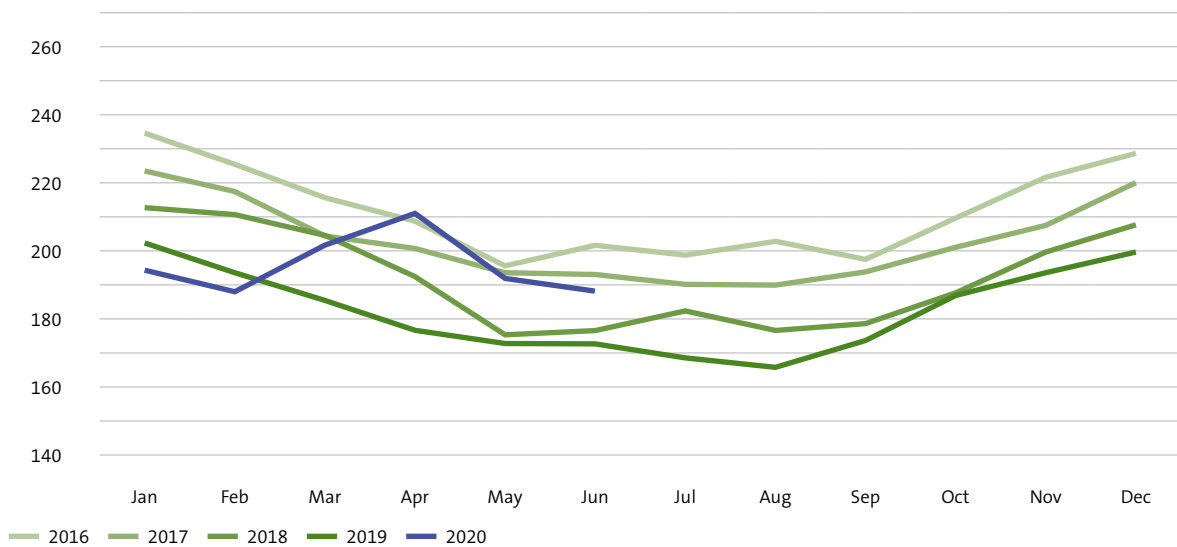
2 BARB.

3 For at least 15 consecutive minutes.

4 BARB.

Fig. 3

Total TV average daily minutes, by month (in minutes)



Total TV; Basis: all individuals (4+); Source: BARB

Video NOW TV and/or DisneyLife (the predecessor service of Disney+) reached 22.5 million in Q1 2020, up 18 percent from 19.1 million in Q1 2019.⁵

An estimated 3 million online adults gained access to an SVoD service for the first time during lockdown

Ofcom commissioned online surveys of a nationally representative sample of 2,000 adults aged 16+ to understand their changing use of TV-like online video services in lockdown. Based on this research,

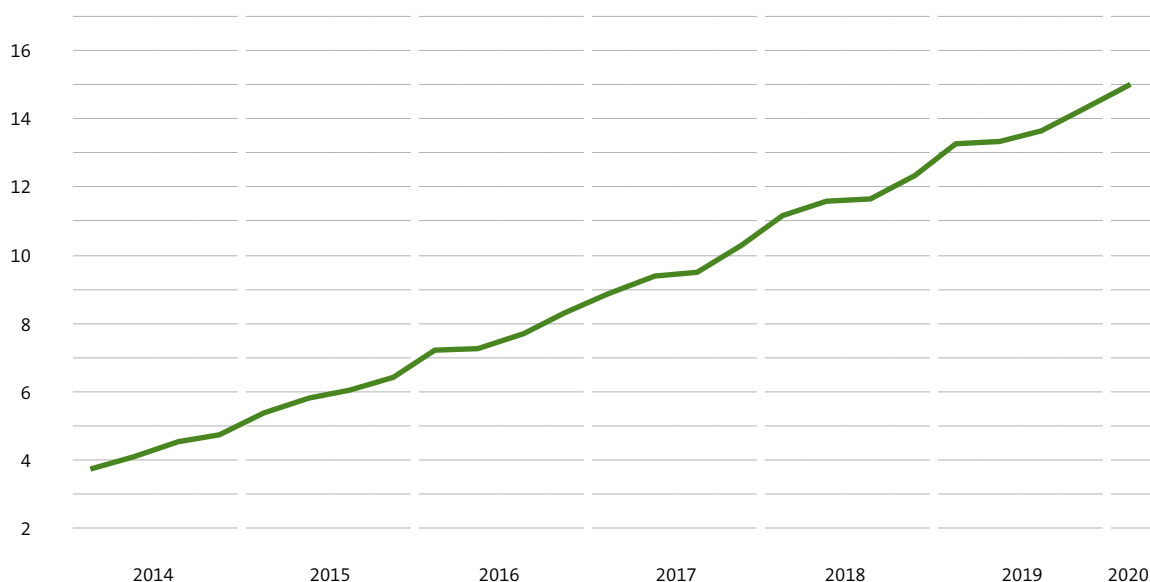
we estimate that 12 million online adults aged 16+, or 23 percent of the online adult population, gained access to a new SVoD subscription during lockdown.⁶ Of these, around 3 million – 5 percent of the adult online population – accessed SVoD for the first time, with half of these young adults aged 16–34. An estimated 7 million adult SVoD users gained access to an additional SVoD subscription during lockdown, while around 2 million former

⁵ BARB Establishment Survey Q1 2020; figures include free trials. Due to the Covid-19 pandemic, the survey was temporarily suspended on 17 March 2020, meaning that data for Q2 2020 has not been collected.

⁶ Ofcom TRP Covid-19 Media Behaviours survey. Fieldwork conducted 4–5 July 2020. Online adults aged 16+. The estimated 12 million online adults that gained access to a new SVoD service in lockdown equates to around 6 million households taking out a new subscription.

Fig. 4

Number of UK SVoD households (in millions per quarter)



Question: Do you, or does anyone in your household, subscribe to the following... Note: Any SVoD is any of the following – Netflix, Amazon Prime Video, Now TV or DisneyLife; Source: BARB Establishment Survey

SVoD users (those who had used it previously but were not subscribing to a service before lockdown) regained access to SVoD during lockdown.

Around half of adults (51 percent) watched SVoD services in the first few weeks of lockdown, up from 46 percent in the previous weeks. Reach increased across all age groups, including notable rises among older demographics – 32 percent of 55–64-year-olds used SVoD services in the early lockdown period, up 7 percentage points (pp) compared to pre-lockdown, while 15 percent of over-65s used them, up 3pp. By comparison, catch-up content (programmes recently broadcast on TV watched on broadcaster VoD services) was accessed by 35 percent of adults, up 1pp in lockdown, while

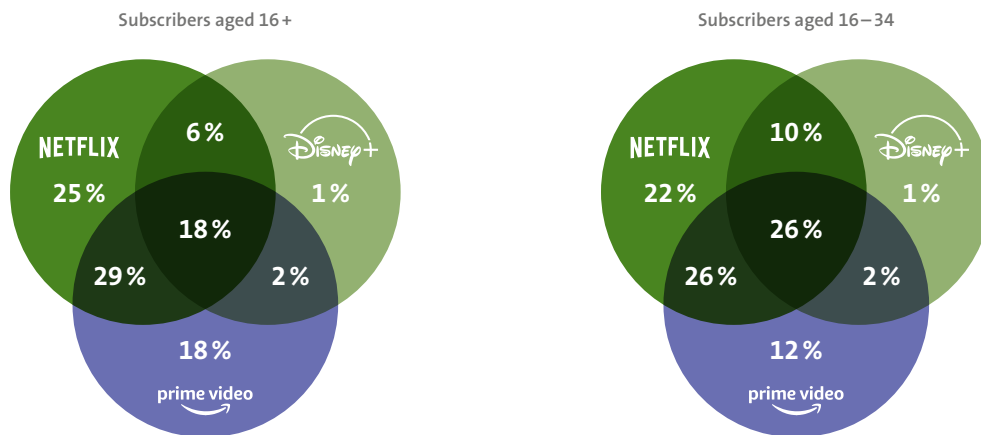
the reach of other free on-demand content, such as boxsets and films on iPlayer and All4, increased by 3pp to 20 percent.⁷

There are signs that this change in behaviour may stick: 55 percent of UK adults said that they expect to spend the same amount of time watching streamed programmes or series after the crisis as they did during it.⁸ Factors influencing this could be continued fear of the spread of coronavirus, as well as squeeze on incomes, both of which could encourage people to stay at home more.

⁷ TouchPoints 2020, pre-lockdown vs lockdown. GB age 15+.
⁸ Ipsos Streaming360 online survey (5,000 UK adults 18+).

Fig. 5

Proportion of SvoD multiple adult subscribers amongst Netflix, Amazon Prime Video and Disney+ subscribers by age



Fieldwork conducted 4–5 July 2020; Basis: Online adults aged 16+ who subscribe to at least one of Netflix, Amazon Prime Video or Disney+; Source: Ofcom TRP Covid-19 Media Behaviours survey

Disney+ made an immediate impact, quickly becoming the third most-subscribed-to SvoD service

By the beginning of July, SvoD was being used on at least a weekly basis by 45 percent of all online adults and 59 percent of online adults aged 16–34. Netflix was subscribed to in 45 percent of online adults’ homes and Amazon Prime Video in 39 percent. Disney+, which launched in the UK on 24 March 2020, benefited significantly from lockdown, appealing to families required to spend most of their time at home. It experienced a surge in take-up, surpassing NOW TV to become the third most-subscribed-to SvoD service, with 16 percent of online UK adults in households that had subscribed by early July. The vast majority (95 percent) of Disney+ subscribers also subscribe to Netflix and/or Amazon Prime Video, meaning that Disney+

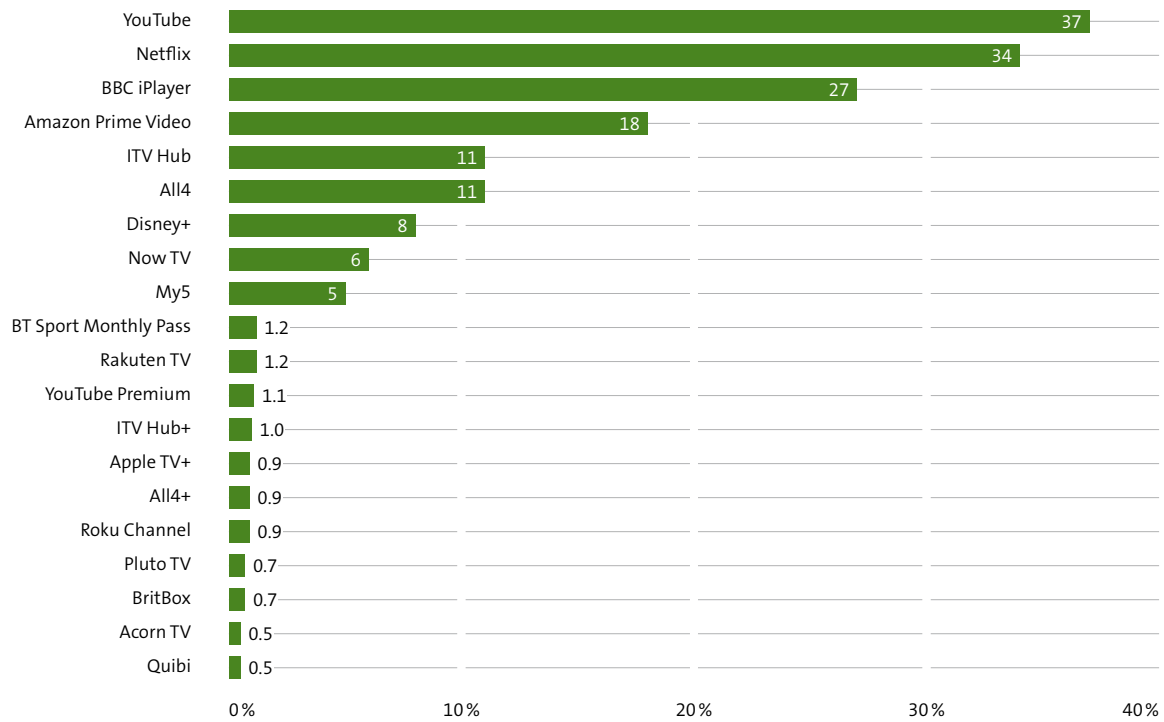
has proved largely supplementary to the 2 main SvoD services so far, rather than attracting people not already using SvoD services or causing people to switch from their current services. Among 16–34-year-olds, this number rises to 97 percent.⁹

Disney’s successful market entry helped to drive up the average number of paying SvoD subscriptions per SvoD home to 1.6 in Q2 2020, compared to 1.5 in Q1 and 1.4 in Q3 2019.¹⁰ When free trials and account sharing are accounted for, the average number of services accessed increases.¹¹ Before lockdown, SvoD’s growing popularity had already

⁹ Ofcom TRP Covid-19 Media Behaviours survey. Fieldwork conducted 4–5 July 2020. Online adults aged 16+.
¹⁰ Ampere Analysis Markets. Excludes free trials.
¹¹ Ampere Analysis Consumer research indicates that UK SvoD users aged 18–64 were accessing an average of 2.5 SvoD services or packages in Q1 2020. Our commissioned TRP survey of online adults aged 16+ indicates that this number increased during lockdown, to 2.7 by July.

Fig. 6

Proportion of UK adults who said that they have used the selected services in the last 7 days to watch online videos: July 2020



Fieldwork conducted 4–5 July 2020; Question: Which of the following services have you used to watch online videos in the last 7 days?; Basis: 1,999 online adult respondents aged 16+. AVoD refers to advertising-funded video-on-demand services. See Online Nation 2020 interactive report for definition of different VoD services; Source: Ofcom TRP Covid-19 Media Behaviours survey

boosted the proportion of online adults who consider online video services to be their main way of watching TV and film to 46 percent in Q1 2020 (up 4pp year on year).¹² Existing adult users of online video services have been watching even more online video content during lockdown, with 16–34-year-olds in particular watching more SVoD and YouTube

content. Users in this age group are also more likely to say they have been watching more SVoD than TV at the time of broadcast.

As SVoD subscriptions are typically monthly contracts that can be easily cancelled, it is possible that there will be a wave of cancellations as lockdown ends and people return to former habits. However, our research in July indicates that, collectively,

¹² Ampere Analysis Consumer, Q1 2020, UK. Base: 2,000.

online adults expect to take up slightly more new subscriptions in the next 3 months than the number of existing subscriptions they plan to cancel.

Increased viewing goes beyond TV-like content to YouTube and gaming

Beyond broadcast content and SVoD, other well-established viewing activities also increased in lockdown. In April, YouTube viewing increased by an average of 9 minutes per person per day compared to the average for 2019, while use of games consoles connected to the TV set increased by 8 minutes. The increase in YouTube is from an already-high base, and when viewing on the TV set is considered (not specifically measured but included in 'other video on the TV set'), all individuals averaged around an hour viewing YouTube each day in April. Unlike SVoD services, which comprise a large amount of drama and film content, YouTube is more difficult to characterise. There is a lot of music viewed / listened to on the platform and a long tail of niche YouTuber content, as well as a substantial body of content with TV-like production values.

Three quarters of online adults said that they had used YouTube in the first 2 months of lockdown.¹³ Among the online adults surveyed in mid-May, 42 percent had used it in the last 7 days, equating to an estimated 22 million users, making it the most-used online video service, ahead of Netflix and BBC iPlayer.

By early July, in line with reduced usage of all services as lockdown restrictions eased, weekly use of YouTube fell to 37 percent of online adults – but it remained the most-accessed online video service. Users skew strongly towards online 16–34-year-olds, with almost half (48 percent) of them using YouTube in the last 7 days in early July.¹⁴ As was the case pre-pandemic, music videos were the most popular content viewed on YouTube among adults in lockdown – a third of all adults surveyed in June said they had used the platform to watch them.

There was a significant boost for live events watched on TV screens, with YouTube stating that global viewership of these increased by 250 percent in March. Live performances and archive uploads from UK theatres and productions that had to close due to lockdown have been popular on YouTube. Other content categories that have gained viewership globally during the pandemic, although not necessarily on TV screens, include: cooking videos (+45 percent from the same time period last year); videos related to sourdough bread (+400 percent from January to May); and home workout videos (+200 percent in March compared to the rest of 2020).¹⁵ Adults also watched coronavirus-related content on YouTube – 7 percent of those surveyed in June had watched Covid-19 news or medical information videos, and 5 percent had watched relevant how-to videos, such as how to make a mask or hand sanitiser.¹⁶

¹³ Ofcom TRP Covid-19 Media Behaviours survey. Lockdown period up to 18 June. Online adults aged 16+.

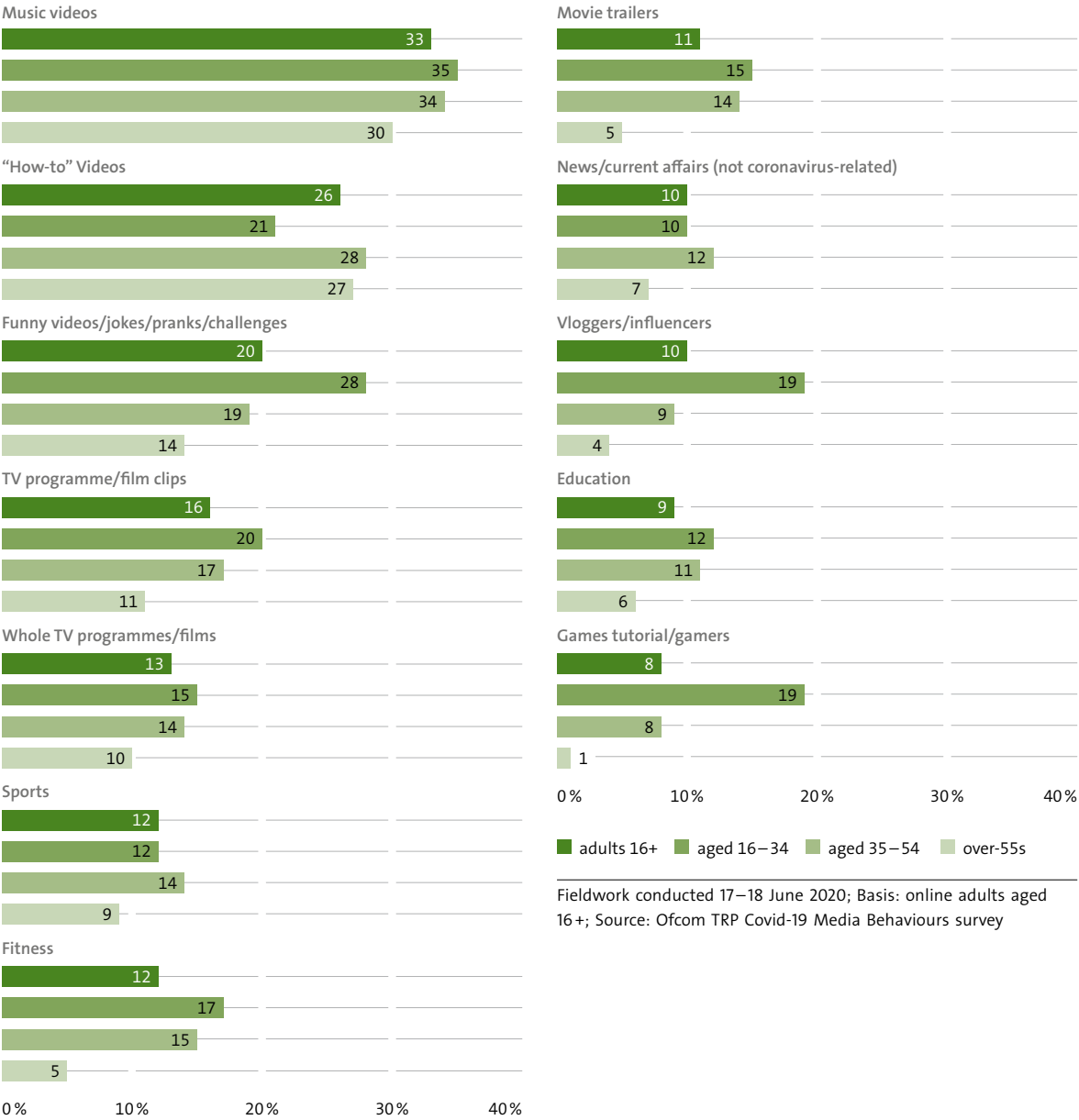
¹⁴ Ofcom TRP Covid-19 Media Behaviours survey. Fieldwork conducted 4–5 July 2020. *Question: Which of the following services have you used to watch online videos in the last 7 days?* Online adults aged 16+. Note: Net figure of YouTube and YouTube Premium users.

¹⁵ Tubefilter, YouTube Users Watch 450 Million Hours Of Content On TV Screens Each Day, 25 June 2020.

¹⁶ Ofcom TRP Covid-19 Media Behaviours survey. Fieldwork conducted 17–18 June 2020.

Fig. 7

Types of videos watched on YouTube during lockdown, by age



Fieldwork conducted 17-18 June 2020; Basis: online adults aged 16+; Source: Ofcom TRP Covid-19 Media Behaviours survey

Summary and outlook

In the week commencing 23 March, when the Prime Minister addressed the nation to announce the lockdown, average daily viewing of broadcast television peaked at 3 hours 46 minutes, its highest level since the last week of 2018.¹⁷ As the lockdown progressed, the easing of social restrictions and good weather across most of the UK, coupled with reduced viewing of news programming, saw broadcast TV viewing decline from its peak – but it remained higher than 2019 levels during the analysis period up to the end of June 2020, with the exception of the last week of May. The collective amount of time spent on other types of viewing has not declined in a comparable way, retaining

much of the uplift it achieved as a result of lockdown, in large part due to a sustained increase in the viewing of SVoD services.

One of the most significant long-term impacts of Covid-19 for TV in the UK could be an accelerated shift within total viewing away from broadcaster content, as people increasingly use on-demand services. SVoD's overall appeal as an alternative to broadcast services has been strengthened by the pandemic, with existing users watching more and new users embracing subscription services for the first time – including older viewers, who typically watch more broadcast television than younger people and have been slower to adopt new services.

17 BARB

Current Development of Television and Moving Image Usage in France

Devices ownership

There are on average 5.6 screens per households in France (stable over time). Over the past 10 years, the percentage of French households owning a television set has been decreasing from nearly 100 percent to 92 percent¹⁸. Nevertheless, the television set remains the most common device in French homes and 40.4 percent of households have 2 television sets or more. The computer and tablet equipment rates are stable over the past years, revealing relatively mature markets. The smartphone equipment

rate shows a strong increase year after year and reaches 77 percent of individuals aged 11+ in the second quarter of 2020.

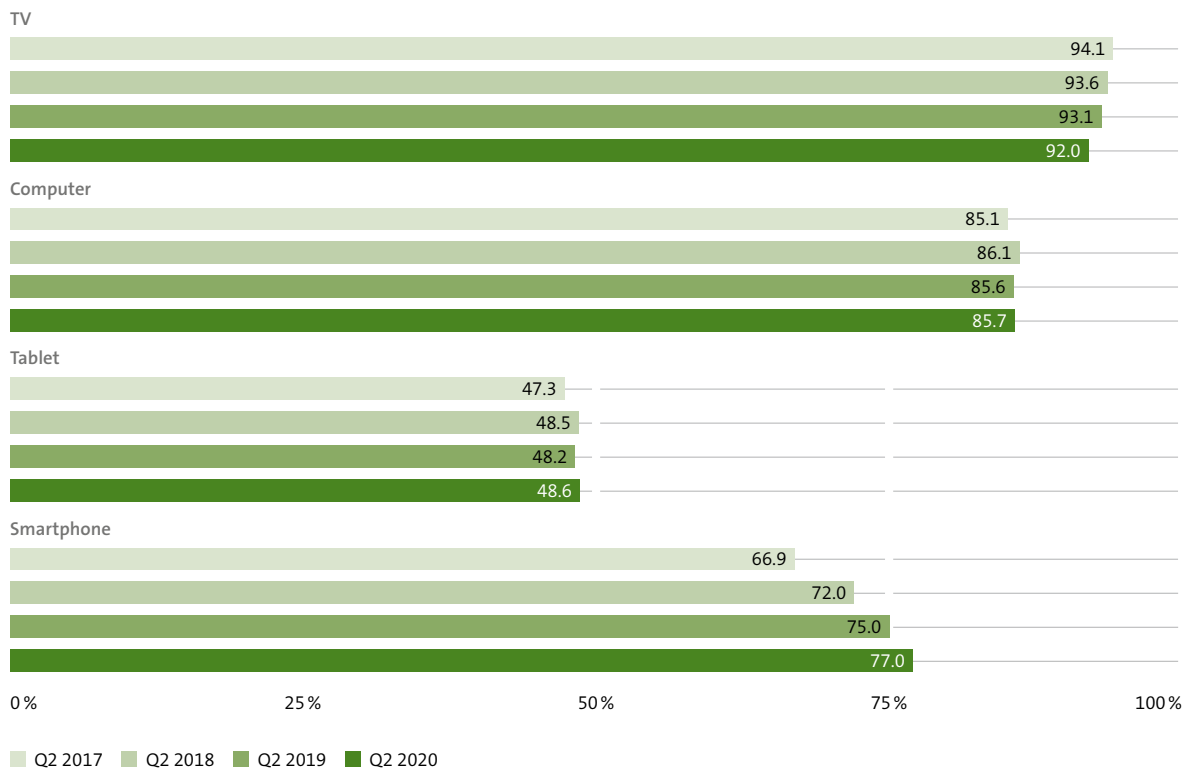
Internet connected television

In the first semester of 2020, 82 percent of TV owning households have an internet connected TV that gives access to OTT audiovisual contents and more, mostly through the ISP TV set-top box (78 percent of households owning an internet connected TV). Smart TV account for 36 percent of households owning an internet connected TV.

18 CSA projections lead to an estimate of the television equipment rate in 2022 between the current level and 81 percent in the most disruptive scenario.

Fig. 8

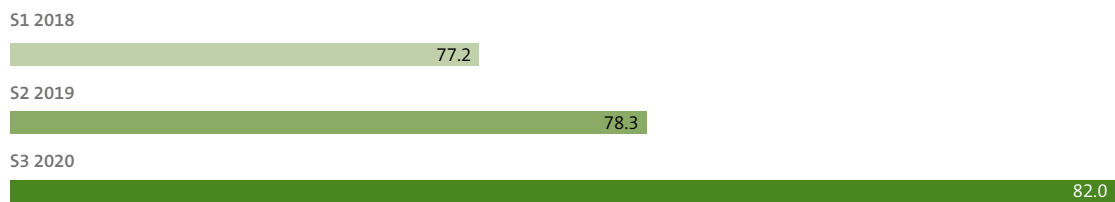
Evolution of devices equipment rate



Basis (TV, Computer, Tablet): french metropolitan households; Basis (Smartphone): internet user aged 11+;
 Source: Médiamétrie for CSA, DGMIC and ANFR, Observatoire de l'équipement audiovisuel des foyers

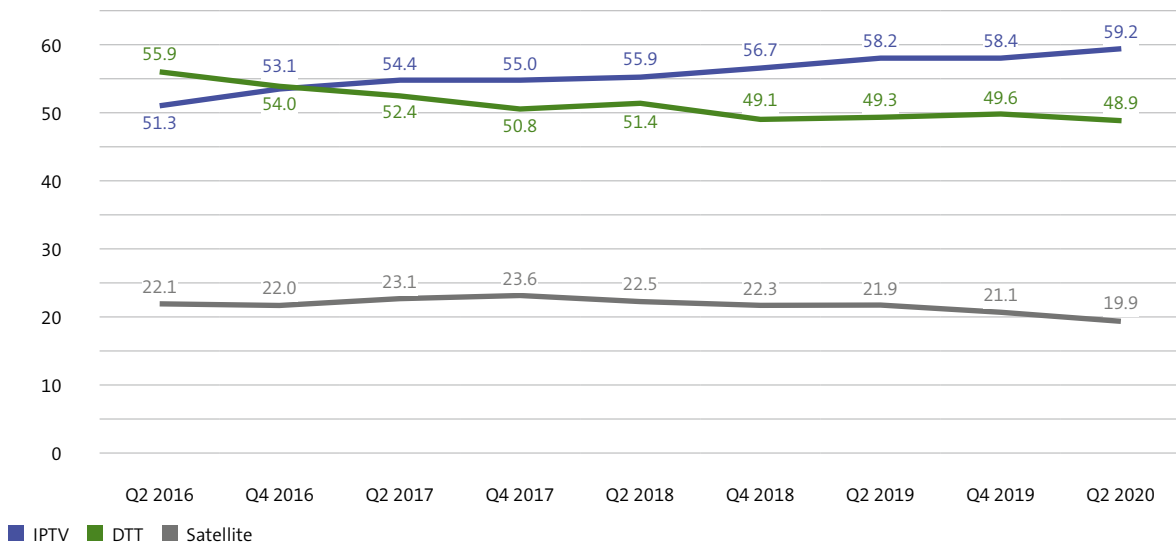
Fig. 9

Evolution of internet connected TV equipment rate (in percent)



Basis: TV owning households; Source: Médiamétrie for CSA, DGMIC and ANFR, Baromètre TV connecté

Fig. 10

Evolution of television reception modes (in percent)

Basis: TV owning households; Source: Médiamétrie for CSA, DGMIC and ANFR, Observatoire de l'équipement audiovisuel des foyers

Other ways to connect the TV set include video games console (34 percent), streaming stick or set-top box (24 percent) and computer (21 percent).

TV reception

Managed internet protocol television (IPTV) has been the first TV reception mode in France since the second quarter of 2017, when it overweighed DTT. In the second quarter of 2020, 59.2 percent of TV owning households watch linear television through IPTV. Since 2011, DTT has shown a slow decrease to reach 48.9 percent of TV owning households in Q2 2020. Still, DTT is the only TV reception mode for 22 percent of French households and is by far the first reception mode on second-

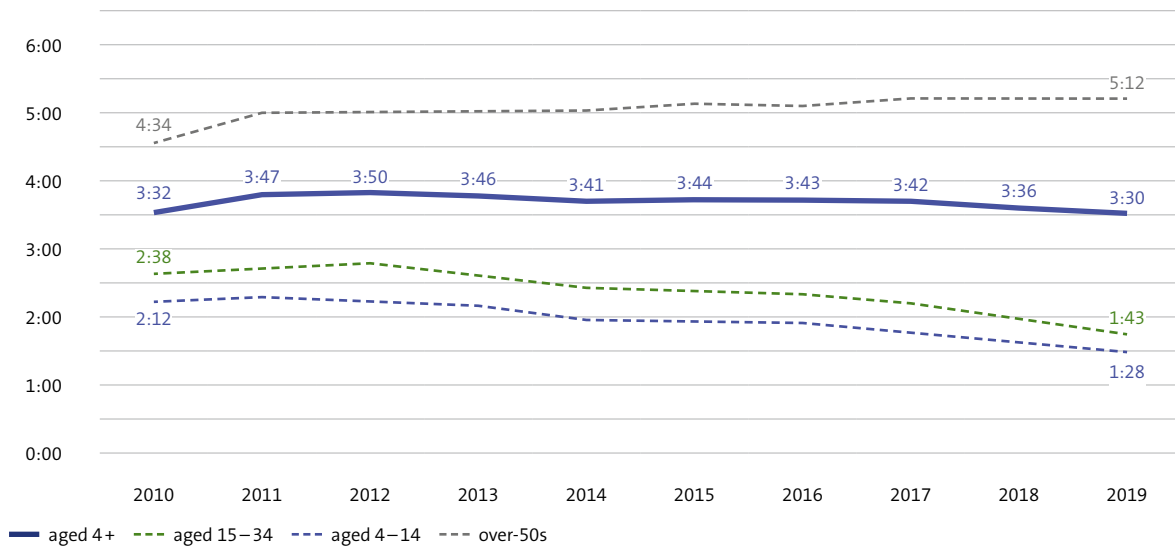
ary TV screens. In addition, 19.9 percent of TV owning households watch linear television through satellite. Finally, all in all, more than 60 percent of TV owning households use a free reception mode (DTT, free cable or free satellite), on all or one of their TV screen(s).

Video consumption: Decrease of TV viewing

In France, TV daily viewing time on TV screen reached 3 hours 30 minutes in 2019. It has been steadily decreasing since 2015, although catch-up viewing has been integrated to the measure starting 2015. However, daily viewing time experienced varying trends among different demographics: people aged 50 or more increased their TV

Fig. 11

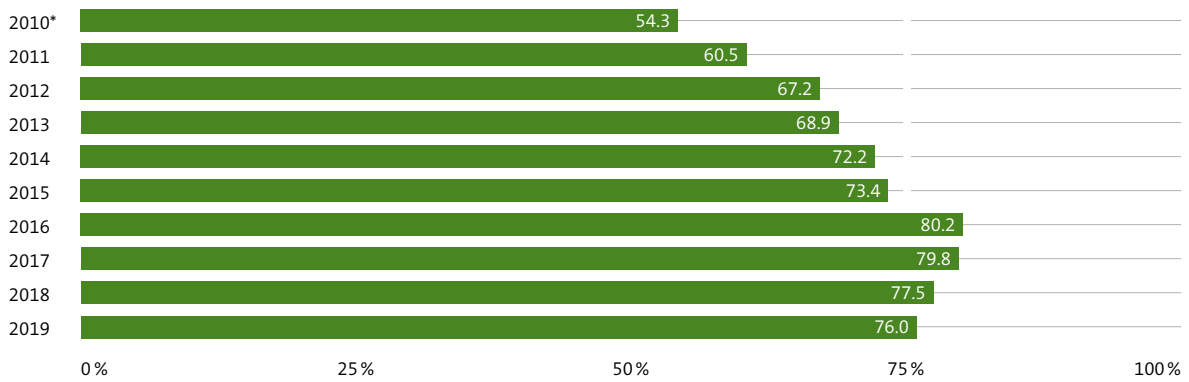
Evolution of TV daily viewing time in France since 2010 (TV screen only, in hours)



Source: Médiamétrie, Médiamat Annuel press release

Fig 12

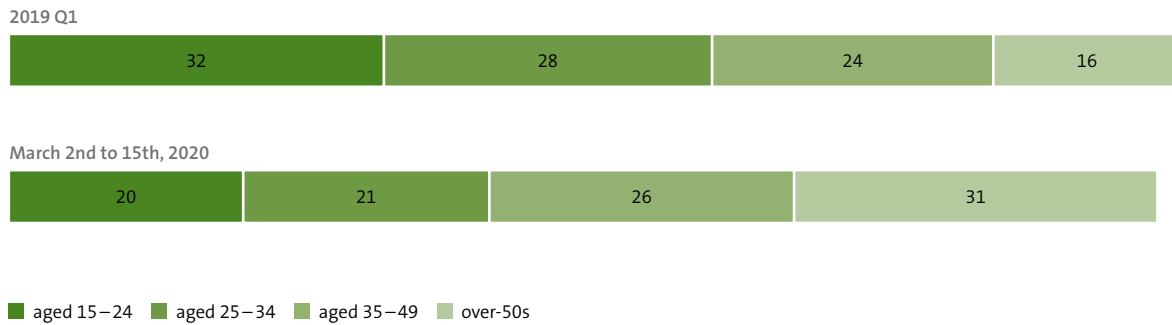
Catch-up TV penetration in France (all devices)



*Q4 2010; Source: Harris Interactive until 2016 / Vertigo – CNC, Bilan 2019

Fig. 13

SVOD users' breakdown by demographics (in percent)



Source: CSA on Médiamétrie/Harris Interactive Data, Baromètre bimensuel, July 2020

consumption by 38 minutes in the past 9 years, whereas it has plunged among children and young adults.

The overall decrease of TV consumption has been partially compensated by the rise of new viewing habits, allowing people to watch their favorite programs at any time, on any device. In 2019, 4.3 million French people watched TV content on Internet devices (computer, tablet or smartphone) every day¹⁹. Including TV consumption on non-TV screens, daily viewing time goes up from 3 hours 30 minutes to 3 hours 40 minutes²⁰. Catch-up viewing is well established in France: in 2019, 7.8 million people watched on demand TV content on a daily basis²¹, and, overall, 76 percent of individuals

aged over 15 used it at least once a year²². However, the penetration of catch-up TV has been decreasing since 2016, probably because of the recent rise of SVOD consumption.

Rise of SVOD

Netflix entered the French market in September 2014. The adoption of SVOD services was not as fast as in other European markets (mainly the UK, the Netherlands or Nordic countries) but it nevertheless influenced the way people watched audiovisual content, as illustrated above with the decrease of traditional TV viewing time.

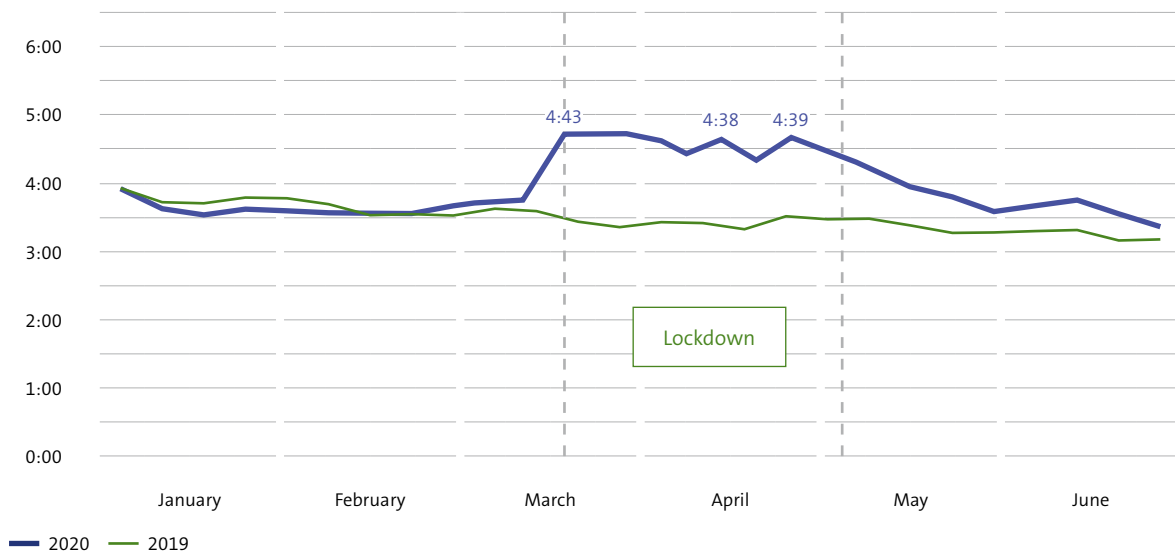
In the last quarter of 2019, 31 percent of French people used an SVOD service at least once in the past twelve months (19.2 million individuals), an

19 Médiamétrie, L'Année TV 2019, Press release.
 20 Médiamétrie, Médiamat annuel 2019, Press release.
 21 Médiamétrie, L'Année TV 2019, Press release.

22 CNC, Bilan 2019, p.156.

Fig. 14

Daily viewing time during Q1 2020 and Q1 2019 – Averaged by week (in hours)



Source: CSA on Médiamétrie Data, Baromètre bimensuel, July 2020

increase of 10 points compared to 2017²³. As in TV, SVOD consumption varies widely according to demographics: more than half of French people aged between 15 and 34 watched SVOD content in 2019, whereas barely more than 10 percent of adults aged over 50 did²⁴. Still, although young people initially played an active role in the early adoption of SVOD uses, its audience grew older with time, as illustrated in the graph below.

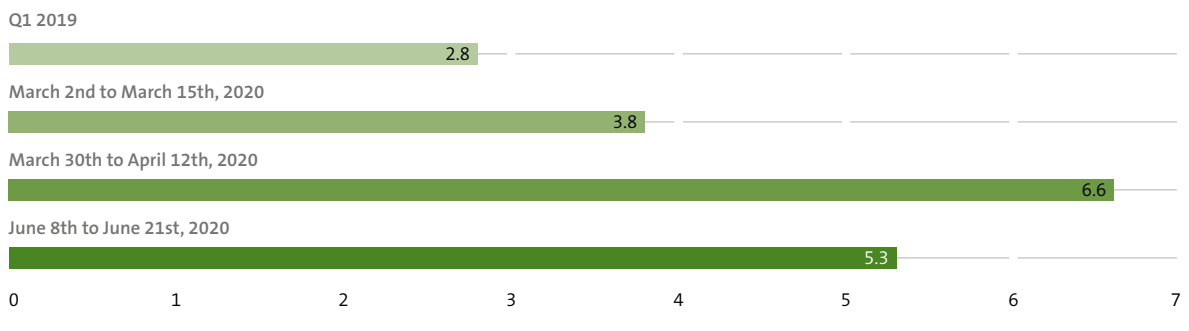
Uses that coexist

SVOD grew fast in the past years, and competes with TV content, offering diversified and quality content mostly watched though the TV screen, and often less expensive than pay TV. However, SVOD is still far from reaching TV’s audience level in France. Its average daily viewing time among the entire population stands at 13 minutes and 30 seconds in 2019²⁵, as 70 percent of French people did not watch any SVOD content yet. Eventually, SVOD and TV uses tend to coexist, as the borders between linear and on demand content narrow. During the last quarter of 2019, 6 percent of French people

23 Médiamétrie, Global SVOD.
24 Médiamétrie, Global SVOD.

25 Médiamétrie, Global SVOD.

Fig. 15

Number of SVOD daily users in France (in million)

Source: CSA on Médiamétrie/Harris Interactive Data, Baromètre bimensuel, July 2020

would use both every day, and, in 2020²⁶, the corona crisis further highlighted their respective importance in the audiovisual landscape.

Impact of Covid-19 crisis on TV consumption

The lockdown brought out the strength of traditional TV while it had been increasingly weakened by digital media. French TV reached audience levels it had not reached since 2006, as viewing time repeatedly overpassed 5 hours per day. This renewed interest for TV content touched all demographics, even the youngest: people aged between 4 and 24 increased their consumption by 40 minutes on average during lockdown. Although TV ratings shrunk after the end of lockdown, they remained significantly higher than in 2019, which might indicate a long-term effect on TV consumption.

Impact of Covid-19 crisis on SVOD consumption

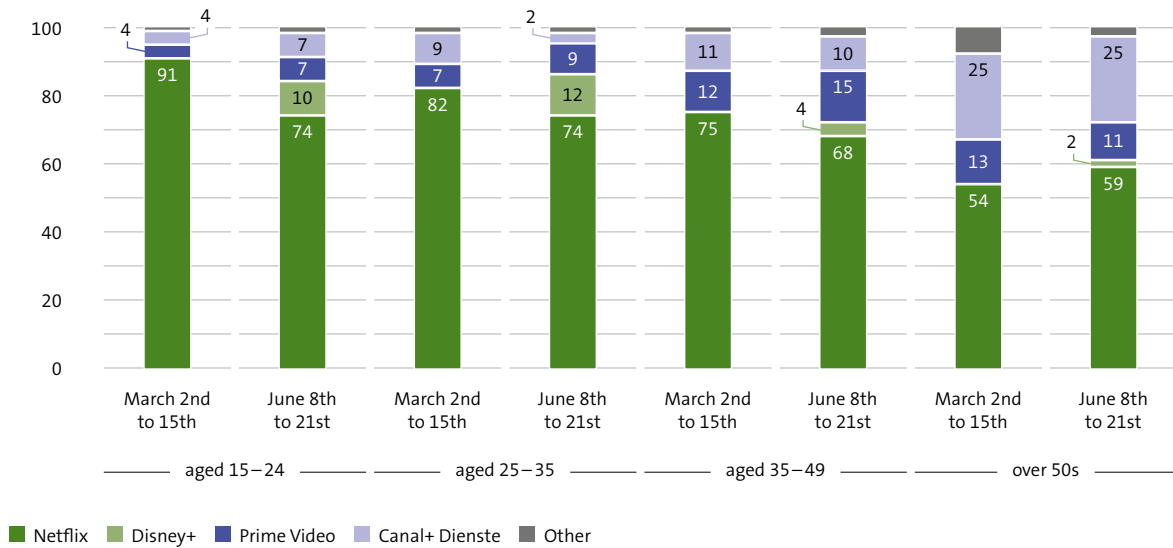
TV was not the only player to benefit from the lockdown: the number of French SVOD daily users grew by 45 percent between March and July 2020, whereas it had experienced an annual growth of 35 percent between 2019 and 2020. The number of SVOD users peaked in the beginning of April 2020, which covered both early lockdown period and launch of Disney+ in France, on April 7th. It fell back and stabilized around 5.5 million daily users in the following months.

Netflix' strong domination in French SVOD consumption was weakened during stay-at-home weeks, as Disney+ launched and people got more time to discover other services like Prime Video. However, Netflix still accounts for 75 percent of 15–34 years old overall consumption at the end of June. The older demographics are more likely to consume content from local players, mainly through the SVOD services of Canal +.

²⁶ Médiamétrie, Global SVOD.

Fig. 16

SVOD consumption breakdown per services in France, 2022 (in percent)



Source: CSA on Médiamétrie/Harris Interactive Data, Baromètre bimensuel, July 2020

Conclusion: similar developments in France and the UK

A comparison of the development of video and TV consumption in the UK and France shows clear parallels. In the longer-term trend, both countries show a partial shift from classic TV consumption to SVOD and other Internet-based video services. During the crisis, classic TV experienced a comeback in both countries – its use increased significantly during the lockdown compared to the previous year. With the gradual withdrawal of the strict initial restrictions, usage is declining again, but

remains above the levels of previous years. Video streaming services were the main beneficiaries of the COVID-19 crisis. Although the peak in usage here was also in the lockdown period, user numbers remained well above the pre-crisis level even after that. It should be borne in mind, however, that many video streaming services operate with subscription models that offer their customers in rule for a certain period of time. It remains to be seen whether the video streaming market will profit from the crisis in the long run.